Module 2 Simulation Using Your W-2 to File Your 1040EZ

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

In this simulation, you will take on the role of Cicely King in order to learn how to use the information from Form W-2 to complete Form 1040EZ.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Your Tax Year January 1 December 31 January 1

Your Filing Season

April 15

You are employed as a coach, earning an annual salary of \$27,500.

Congratulations! You received a small raise in June!

3 4 5 11 12 10 13 14 15

January 1 December 31 January 1

Your Filing Season

April 15

It's the end of the tax year. You receive your W-2 from the school. Your Form W-2 reflects that you made \$28,345.00.

Note: Your employer is required to send you your W-2 by January 31!

To review your personal information, click *My Profile* below.

To review your Form W-2, click My Form W-2 below.



My Profile

Name: Cicely B. King

Employment: Coach at Any Town High School

Marital status: Single

Spouse's name (if any): N/A

Children: None U.S citizen: Yes

| a Em | oloyee's social security number 223-00-9753 | OMB No. 154 | 5-0008 | Safe, accurate, FAST! Use |)≁fi | | e IRS website v.irs.gov/efile. |
|---|---|----------------|-------------------|--|-------------|---------------------------|--------------------------------|
| b Employer identification number (EIN) 10-0023456 | | | 1 Wa | ges, tips, other compensation \$28,345 | 2 F | ederal income t | ax withheld \$2,707 |
| c Employer's name, address, and ZIP coor Anytown High School | е | | 3 Soc | cial security wages \$28,345 | 4 S | ocial security ta \$1, | x withheld 757.39 |
| 3 Main Street Any Town, US 00001 | | | 5 Me | dicare wages and tips \$28,345 | 6 N | ledicare tax wit | hheld \$411 |
| | | | 7 Soc | cial security tips | 8 A | llocated tips | |
| d Control number | | | 9 Adv | vance EIC payment | 10 D | ependent care | benefits |
| e Employee's first name and initial | Last name | Suff. | 11 No | nqualified plans | С | ee instructions | for box 12 |
| Cicely B. | King | | | | o d e | | |
| 2344 Elm Avenue | - | | 13 Statuto employ | ry Retirement Third-party ree plan sick pay | 12b | | |
| Any Town, US 00001 | | | 14 Oth | ner | 12c | | |
| | | | | | 12d | | |
| f Employee's address and ZIP code | | | | | | | |
| 15 State Employer's state ID number | 16 State wages, tips, etc. | 17 State incom | ne tax | 18 Local wages, tips, etc. | 19 Local | income tax | 20 Locality name |
| · | | | | | | | |

Form W-2 Wage and Tax Statement

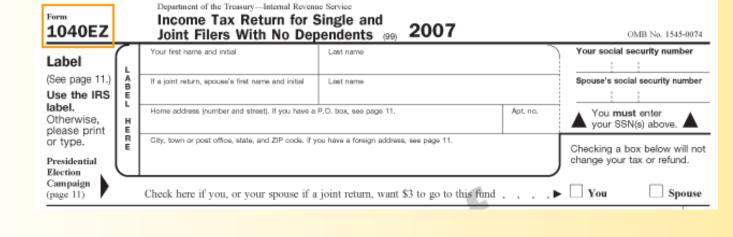
2007

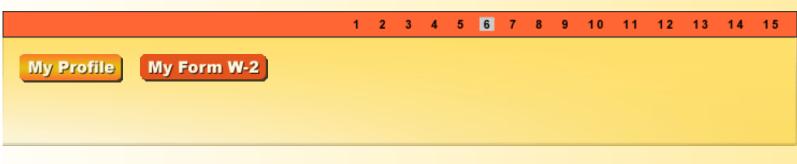
Department of the Treasury-Internal Revenue Service

Copy B—To Be Filed With Employee's FEDERAL Tax Return. This information is being furnished to the Internal Revenue Service.

January 1 December 31 January 1 April 15

You have everything you need to file your taxes. You will be using Form 1040EZ because you are single, have no dependents, and have wage income as your only source of income.





January 1 December 31 January 1 Your Filing Season
April 15

Use your W-2 to enter your wages, salary, and tips on your 1040EZ. Enter your salary exactly as it appears on your W-2.

| Entenance colone and time | \$ |
|--------------------------------|-------|
| Enter wages, salary, and tips: | 28345 |

| Form 1040EZ | | Department of the Treasury—Internal Revenu Income Tax Return for S Joint Filers With No Dep | Single and | | OMB No. 1545-0074 | | |
|-------------------------------|--|--|---|------|--|--|--|
| Label | | Your first name and initial Cicely B. | Lest name King | | Your social security number 223 00 9753 | | |
| (See page 11.) Use the IRS | A B E | If a joint return, spouse's first name and initial | Leet name | | Spouse's social security number | | |
| please print | HER | Home address (number and street). If you have a P.O. box, see page 11. Apt. no. 2344 Elm Street City, town or post office, state, and ZIP code. If you have a foreign address, see page 11. | | | You must enter your SSN(s) above. | | |
| Presidential Election | Checking a box below will not change your tax or refund. | | | | | | |
| Campaign (page 11) | | Check here if you, or your spouse if a | joint return, want \$3 to go to this fund | > | You Spouse | | |
| Income | _ | 1 Wages, salaries, and tips. This shou Attach your Form(s) W-2. | lld be shown in box 1 of your Form(s) W | V-2. | 1 | | |

Hint: See Box 1 on your W-2.



January 1 December 31 January 1 Your Filing Season
April 15

Enter your withholdings from your W-2. Enter your tax withheld exactly as it appears on your W-2.

| Enter | | |
|---------------|---------|--|
| Linci | 0 2707 | |
| withholdings: | \$ 2101 | |
| winnionanigs. | | |

| Form 1040EZ | Department of the Treasury—Internal Revenue Service Income Tax Return for Single Joint Filers With No Dependen | | OMB No. 1545-0074 | | | | |
|---|---|-----------------------------------|---|--|--|--|--|
| Label (See page 11.) Use the IRS | Your first name and initial Last nam Cicely B. King If a joint return, spouse's first name and initial Last nam | | Your social security number 223 00 9753 Spouse's social security number | | | | |
| Otherwise, please print or type. | Home address (number and street). If you have a P.O. box, so 2344 Elm Avenue Gity, town or post office, state, and ZIP code. If you have a for | | your SSN(s) above. | | | | |
| Presidential Election Campaign (page 11) | Presidential Any Town, US 00001 Any Town, US 00001 Checking a box below will no change your tax or refund. | | | | | | |
| Income Attach | Wages, salaries, and tips. This should be sho Attach your Form(s) W-2. | own in box 1 of your Form(s) W-2. | 1 28,345 00 | | | | |
| Form(s) W-2 here. | 25 1 | | | | | | |
| Enclose, but do not attach, any payment. | Unemployment compensation and Alaska Permanent Fund dividends (see page 13). Add lines 1, 2, and 3. This is your adjusted gross income. 4 | | | | | | |
| | 5 If someone can claim you (or your spouse if a joint return) as a dependent, check the applicable box(es) below and enter the amount from the worksheet on back. You Spouse If no one can claim you (or your spouse if a joint return), enter \$8,750 if single; \$17,500 if married filling jointly. See back for explanation. | | | | | | |
| | 6 Subtract line 5 from line 4. If line 5 is larger than line 4, enter -0. This is your taxable income. | | | | | | |
| Payments and tax | Federal income tax withheld from box 2 of y a Earned income credit (EIC). | your Form(s) W-2. | 7 8a | | | | |
| | Nontaxable combat pay election. | 8b | | | | | |

Hint: See Box 2 on your Form W-2.

January 1 December 31 January 1 Your Filing Season
April 15

Since you have no other sources of income, you have completed your tax return. All that's left to do is review your return.

To review your tax return, click *My Tax Form* below.



Department of the Treasury—Internal Revenue Service

| Torm 1040EZ | | Income Tax Return for Joint Filers With No D | | | 2007 | | | | OMB No. 1545 | 5-0074 |
|--|---|--|----------------------|-------------------|---------------------|------------------|---------------|------------|--------------------------|----------|
| | | Your first name and initial | Last nan | | | | $\overline{}$ | Your | r social security num | ber |
| Label | | Cicely B. King | | | | 22 | 223 00 9753 | | | |
| (See page 11.) | Α | If a joint return, spouse's first name and initia | | ne | | | | | ise's social security nu | umber |
| Use the IRS | B E | | | | | | | | | |
| label. Otherwise, | <u> </u> | Home address (number and street). If you ha | ve a P.O. box, s | ee page 11. | | Ap | t. no. | • | You must enter | _ |
| please print | Ħ | 2344 Elm Avenue | | | | | i | A y | our SSN(s) above. | |
| or type. | R E | City, town or post office, state, and ZIP code | e. If you have a fo | oreign address, s | ee page 11. | | | Chec | king a box below w | vill not |
| Presidential Election | | Any Town, US 00001 | | | | | | | ge your tax or refun | |
| Campaign (page 11) | | Check here if you, or your spouse | if a joint ret | urn, want \$3 | to go to this fund | d | ▶ | ☐ Y | ou Sp | ouse |
| Income | 1 | Wages, salaries, and tips. This s Attach your Form(s) W-2. | should be sho | own in box 1 | of your Form(s) | W-2. | | 1 | 28,345 | 00 |
| Attach | _ | Attach your Form(s) W-2. | | | | | | 1 | 20,040 | 100 |
| Form(s) W-2 here. | _2 | Taxable interest. If the total is or | ver \$1,500, y | ou cannot us | se Form 1040EZ. | | | 2 | | |
| Enclose, but do not attach, | _3 | Unemployment compensation as | nd Alaska Pe | ermanent Fur | nd dividends (see | page 1 | 13). | 3 | | |
| any payment. | 4 | Add lines 1, 2, and 3. This is yo | our adjusted | l gross incor | ne. | " | | 4 | 28,345 | 00 |
| | 5 | | our spouse if | a joint return | a) as a dependent, | check | the | | | |
| | | You Spouse | | | | | | | | |
| | | If no one can claim you (or you | | a joint return |), enter \$8,750 if | single | • | | | |
| | | \$17,500 if married filing joint | | | | | | 5 | 8,750 | 00 |
| | 6 | Subtract line 5 from line 4. If li This is your taxable income . | ne 5 is large | r than line 4 | , enter -0 | | > | 6 | 19,595 | 00 |
| Payments | _7 | | om box 2 of | your Form(s |) W-2. | | | 7 | 2,707 | 00 |
| and tax | _8 | a Earned income credit (EIC). | | | | | 1 | 8a | | |
| | | b Nontaxable combat pay election | ı . | | 8b | | | | | |
| | 9 | Add lines 7 and 8a. These are y | our total p a | avments. | | | • | 9 | 2,707 | 00 |
| | | | • | | | | | | | |
| | 10 | Tax. Use the amount on line 6 24–32 of the booklet. Then, ent | | | | pages | | 10 | 2,545 | 00 |
| Refund Have it directly | 11 | a If line 9 is larger than line 10, s If Form 8888 is attached, check | | 10 from line | 9. This is your | refund | • | 11a | 162 | 00 |
| deposited! See page 18 and fill in 11b, 11c, | • | b Routing number | | ▶ c | Type: Check | ting [| Savings | | | |
| and 11d or Form 8888. | • | d Account number | | | | | | | | |
| Amount you owe | 12 | If line 10 is larger than line 9, so the amount you owe. For detail | | | | | | 12 | | |
| | Do | you want to allow another person | | 1 0 | | ae 20)? | Ye: | s. Com | plete the following. | ✓ No |
| Third party | | signee's | | Phone | ()) | , | ersonal ide | | | |
| designee | naı | ne ► cicely B. King | | no. ▶ (|) | n | umber (PIN |) | > | |
| Sign here | acc | der penalties of perjury, I declare that I I curately lists all amounts and sources of i all information of which the preparer has | ncome I receiv | ed during the t | | | | | | |
| Joint return? | Yo | ur signature | | Date | Your occupation | | | | Daytime phone number | ər |
| See page 11. | _ | | | | | | | | () | |
| Keep a copy for your records. | Sp | ouse's signature. If a joint return, both n | nust sign. | Date | Spouse's occupa | ation | | | | |
| Paid | | eparer's nature | | | Date | Check self-er | if mployed | Pro | eparer's SSN or PTIN | |
| preparer's | | n's name (or | | | | | EIN | | | |
| use only | yours if self-employed), address, and ZIP code Phone no. () | | | | | | | | | |

January 1 December 31 January 1 Your Filing Season
April 15

Based on your completed tax return, enter your tax for the year. Enter your tax exactly as it appears on your tax form.

Enter \$ 2545

Hint: See Line 10 on your Form 1040EZ

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile My Form W-2 My Tax Form

January 1 December 31 January 1 April 15

Not quite. Your tax can be found on Line 10, and it is \$2,545.00 Are you getting a refund or do you owe more taxes?

- O Refund
- O Owe more taxes



January 1 December 31 January 1 April 15

No! You are incorrect. Line 11a on your 1040EZ shows you get a refund of \$162.00.

| Tax withheld | \$2707 |
|--------------|--------------|
| Tax | -2545 |
| Refund due | <u>\$162</u> |

Now you are ready to e-file your tax return with the IRS. Click on the e-file button below to continue.



1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

My Profile My Form W-2 My Tax Form

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If you were actually filing your taxes online, you would now be asked to select how you want to receive your refund. You can receive your refund by:

- authorizing a direct deposit (automatic deposit) into a checking or savings account, or
- requesting a check be sent to you.

Opting to receive a refund by direct deposit is the fastest and most convenient way to receive a refund. Your refund should be in your savings or checking account within two weeks if you chose direct deposit. If you opt for a paper check, it will take about three weeks.



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The last step would be signing the return. You can submit your signature by actually signing Form 8453 and sending it to the IRS, or by using Self-Select PIN (Personal Identification Number) if you are eligible.

The Self-Select PIN is made up of any five numbers (except all zeros) that you choose to enter as your electronic signature. You select your PIN by providing your adjusted gross income from your previous year's tax return and your date of birth for verification purposes.

Signing your return using Self-Select PIN is the simplest and fastest way to submit your signature. You do not need to mail in a paper signature, and you receive an immediate acknowledgement that your tax return was received.

Learn more about self-selecting a PIN by visiting the IRS Web site.

Now click the forward arrow below to finish filing Cicely's return.



Your Tax Year
January 1

December 31 January 1

Your Filing Season

April 15

Congratulations, Cicely! You've successfully filed your return by the April filing deadline.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15